

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Shape Global Tech

Maine Manufacturing Extension Partnership

Shape Global Technology Gets A New Lease On Life

Client Profile:

Shape Global Technology is a custom plastics injection molding manufacturer that designs products, fabricates tooling, and produces high volumes of plastic components used in a variety of multimedia and other information technology markets both domestically and abroad. The company, located in Sanford, Maine, employs approximately 70 people.

Situation:

Shape Global Technology (Shape) began as a major manufacturer in the local community. When the company began experiencing significant competitive pressure and hardship from low-cost manufacturers in foreign countries, it was approached by a European plastics manufacturer interested in buying out Shape and consolidating its business. However, the proposed buy-out involved closing down significant product lines, jettisoning related production equipment, exiting a number of mature markets, and immediately dislocating a majority of the company's 100 employees through major post-acquisition layoffs. The Europeans also planned on retiring the company's corporate name. A group of employees facing dislocation after the merger banded together to save their jobs by organizing a new start-up venture under the company's former name. The start-up group (affectionately named the "castaways") wanted to rebuild the former company into a new business around the discarded assets left behind by the Europeans, including aging equipment, traditional customers of mature products, and an abandoned factory in a neighboring town. The castaways needed to raise significant capital, but had been rebuffed by private and public lending institutions. The group approached the Maine Manufacturing Extension Partnership (Maine MEP), a NIST MEP network affiliate, for help developing a business start-up strategy necessary to raise investment capital.

Solution:

Maine MEP helped the business develop a successful relationship with a community development financing organization with the help of a private financial consultant. These efforts eventually succeeded in raising the necessary investment capital to re-start Shape Global Technologies as a new business. Maine MEP also helped the company develop approximately six new customers, all local manufacturers who had been seeking new suppliers of plastic components. By restarting the business, Shape helped area small businesses expand their local supply chain.

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Results:

Created a business plan to successfully raise start-up capital.

Stimulated \$3 million worth of new investments in plant facilities, equipment, and working capital.

Created between 60 and 80 new manufacturing-related jobs.

Developed \$4.5 million in new revenues and market opportunities.

Testimonial:

"If it had not been for the Maine Manufacturing Extension Partnership, the company would not have survived."

Vincent Boragine, President